

# Rice Weekly Research Report

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### Outlook and Review:

- From June 1 to June 23, Telangana received 42 percent more rainfall than the average, with only the Wanaparthy district receiving less rainfall than the other districts' average. Paddy sowing was recorded in 26569 hectares as of June 23, compared to 59533 acres the previous year.
- PMGKAY-4 has been approved by the Center. From July to November, this scheme will be in effect. This program will provide 5 kg of food grains (wheat/rice) per person per month. In PMGKAY-3, 79 lakh tonnes of food grains were allocated for May and June, with 76 lakh tonnes procured in various states so far. In May, 35 lakh tonnes of food grains were distributed, followed by 23 lakh tonnes in June. The Center allocated 204 lakh tonnes of food grains for the fourth scheme from July to November.
- According to the Sowing of Kharif Crops in Odisha, paddy sowing has decreased by 30 thousand hectares from last year to 1.42 million hectares.
- The monsoon may weaken by the first week of July, according to the Meteorological Department. The speed of the monsoon was good in the beginning, but it has now slowed.
- Sri Lanka has decided to purchase 100,000 metric tons of foreign rice in order to lower soaring domestic prices, as trade restrictions have strengthened a domestic oligopoly involved in rice collection and milling. The government intends to import 100,000 MT of Samba rice as a tool or method to relieve people's stress.
- The Centre has allocated approximately 78,000 tonnes of rice from FCI stocks to distilleries for ethanol production during the ethanol supply year (ESY) 2020-21 at a subsidised rate of Rs 20 per kg. By 2025, total ethanol production will be 740 million liters from grain and 760 million liters from sugar.
- The Thai government reported that MY2020/21 off-season rice acreage totaled 8.3 million rai (1.33million hectares) as of May 7, 2021, up 23 percent from the same period last year
- In Madhya Pradesh, there was a problem in the milling of paddy purchased from farmers, in Tuesday's cabinet meeting, a proposal of Rs 50-200 incentive was approved for milling 37.26 lakh tonnes of paddy procured from farmers.
- Andhra Pradesh's Kharif crop sowing target has been set at 94.20 lakh acres, which is 4% more than last year's production area. The target area for paddy production has been set at 39.50 lakh acres, the same as last year.
- The government on Wednesday raised the minimum support price (MSP) of paddy marginally by Rs 72 per quintal to Rs 1,940 per quintal for the 2021-22 crop year.
- Basmati rice exports were 4.6 million tonnes (mt) valued at \$4.01 (31,026 crore) billion in 2020-21, up from 4.45 mt valued at \$4.33 billion in the previous year (Rs 29,849 crore). The per unit value of Basmati exports fell by more than 10% to \$868 (Rs 63,400) per tonne last fiscal year (\$972 or Rs 71,000 in 2019-20).
- In the 2020-21 kharif marketing season, paddy procurement was 789 LMT—compared to 773 LMT in KMS 2019-20. The highest paddy procurement has been reported from Punjab, Telangana, Odisha, Andhra Pradesh, Uttar Pradesh, Chhattisgarh and Haryana follow it.
- There is a high demand for Indian coarse rice. Nepal, Burma, Vietnam, and other countries have high demand for coarse rice.
- Rice exports increased dramatically in the previous fiscal year. Demand can also be seen in the export of Basmati rice.
- The Philippines' reduction in rice import duty may benefit Indian rice exports. The Philippines imports 2.5 million tonnes of rice per year, primarily from Vietnam and Thailand. Non-basmati rice exports from India may increase to the Philippines. Indian basmati rice prices are higher than international prices.
- Centre paddy procurement in the ongoing season Kharif 2020-21 is continuing smoothly with purchase of over 749.98 lakh metric tonnes (LMTs) of paddy
- (includes Kharif Crop 705.56 LMT and Rabi Crop 44.42 LMT) upto 17.05.2021 against the last year corresponding purchase of 697.09 LMT, marking a rise of around 7.44% on year.

28<sup>th</sup>-June-2021

**State wise Wholesale Prices Weekly Analysis for Rice fourth week June, 2021**

State	Prices 24-30 Jun 2021	Prices 16-23 Jun 2021	Prices 09-15 Jun 2021	Prices 24-30 Jun 2020	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Jharkhand	2533.33	2515.91	2458.33	2492.62	0.69	3.05	1.63
Karnataka	4095.14	4786.6	4646.1	2786.21	-14.45	-11.86	46.98
Kerala	3476.46	3481.66	3483.65	3560.76	-0.15	-0.21	-2.37
Tripura	2999.15	2966.64	2906.34	3396.76	1.1	3.19	-11.71
West Bengal	2680.71	2710.72	2715.16	2828.49	-1.11	-1.27	-5.22
Maharashtra	3573.55	3127.24	3295.55	4967.98	14.27	8.44	-28.07
Odisha	2535.08	3045.18	2763.08	2699.17	-16.75	-8.25	-6.08
Uttar Pradesh	2569.22	2553.99	2545.62	2589.67	0.6	0.93	-0.79
Gujarat	4186.96	4400	4400	4200	-4.84	-4.84	-0.31
Average	3183.29	3287.55	3245.98	3280.18			

Prices in Rs/Quintal

**Outlook :-**

Duration	Trend	Average Price Range	Reason
03 <sup>rd</sup> Week of June, 2021	Steady to Firm	Rs.3000-3200/Quintal	Due to lean season the prices may vary steady to firm

28<sup>th</sup>-June-2021

**Comparative Rice Variety Prices of Delhi (Naya Bazaar) in Rs./Quintal)**

Market	Variety	Today	Week Ago	Month Ago	Year ago	% Change From last week	% Change from last Month	% Change from last Year
		26-Jun-21	19-Jun-21	29-May-21	27-Jun-20			
Delhi	1121 Steam	6200	6100	6000	7100	1.64	3.33	-12.68
	1121 Sella	5200	5100	5000	5400	1.96	4.00	-3.70
	1121 Raw	6200	6100	6000	7200	1.64	3.33	-13.89
	Basmati Raw	10600	10500	10400	8500	0.95	1.92	24.71
	1509 Steam Wand New	5700	5600	5500	5900	1.79	3.64	-3.39
	Sugandh Steam	5100	5000	5100	5000	2.00	0.00	2.00
	Sharbati Raw	4900	4800	4800	4200	2.08	2.08	16.67
	Pusa Raw Wand	5700	5600	5600	6000	1.79	1.79	-5.00
	Parmal Sella	3200	3100	3200	3600	3.23	0.00	-11.11

**State wise Progressive Procurement As on 13.06.2021**

S.No.	STATES/UTs	In Marketing season 2020-21	In MY season 2019-20
1	A.P.	55.33	49.23
2	Telangana	74.54	80.43
3	Assam	2.11	1.26
4	Bihar	13.41	23.40
5	Chandigarh	0.15	0.19
6	Chhattisgarh	52.24	39.76
7	Gujarat	0.14	0.74
8	Haryana	43.07	37.89
9	H.P.	0	0
10	Jharkhand	2.55	4.27
11	J&K	0.1	0.25
12	Karnataka	0.41	1.38
13	Kerala	4.83	5.08
14	M.P.	17.4	24.97

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15	Maharashtra	11.67	9.32
16	Odisha	47.98	50.72
17	Punjab	108.76	135.89
18	Rajasthan	0	0
19	NEF (Tripura)	0.14	0.08
20	Tamilnadu	22.04	22.85
21	U.P.	37.9	44.79
22	Uttarakhand	6.82	7.12
23	West Bengal	18.38	15.65

As on 13<sup>th</sup> June 2021, during KMS 2020-21, Progressive Procurement of Rice was 555.27 lakh MT as compared to 519.97 lakh MT during corresponding period of KMS 2019-20.

#### IGC Balance Sheet:

Attributes ( Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	25.03.2020	24.06.2021
Production	494	498	504	510	512
Trade	46	43	46	46	47
Consumption	485	487	504	507	510
Carryover stocks	165	175	173	177	171
Y-O-Y change	9	10	0		1
Major Exporters	32	39	38	41	40

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

Due to bigger harvests in Asia, global rice production in 2021/22 is projected to rise by 2% to a fresh high. However, with growth in consumption set to moderate significantly – partly due to the likely scaling-back of COVID-19-related support schemes in Asia – stocks could edge up y/y. Trade in 2022 (Jan/Dec) is anticipated to be little-changed y/y, as a potential reduction in shipments to South Asia is offset by bigger dispatches to Africa. India is set to remain by far the world's leading exporter.

28<sup>th</sup>-June-2021

## Rice Price Trend @ CBOT March- 2021, Rough Rice)

(Prices  
US\$/hundredweight)

in



## Market Analysis

The **CBOT May-21** monthly rough chart for rice indicates steady to weak tone from last month. We expect market to hover in the range of USD 12.00. -13.00 hundred weights in coming sessions.

## Price Projection (International-CBOT)

Duration	Trend	Price Range
04 <sup>th</sup> Week of June-2021	Steady to weak	USD/ Hundred Weight 12.00. -13.00

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